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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE (No Surface Use)

(No Surface Use)				
THIS LEASE AGREEMENT is made this _	18+1 day of	August	, 2008, by and between	
		on here in out joined	h = 50005C	
whose addresss is 3913 WSS and, DALE PROPERTY SERVICES, L.L.C. 21 hereinabove named as Lessee, but all other pro-	100 Ross Avenue, Suite 1870 Notice of the complete of the paid and the covenants	Dallas Texas 75201, as Lesser	7 (as Lessor, a. All printed portions of this lease were prepared by the party	
OUT OF THE SYCENORE IN VOLUME 309	E OR LESS, BEING LO	COUNTY, TEXAS, ACCO	, BLOCK	
in the County of Tarrant, State of TEXAS, containing gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term 'gas' as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.				
otherwise maintained in effect pursuant to the process. Royalties on oil, gas and other substate separated at Lessee's separator facilities, the roots are the wellhead or to Lessor's credit at the wellhead market price then prevailing in the prevailing price) for production of similar granting price for production of similar granting price for production, severance, or other excise taxes are Lessee shall have the continuing right to purchano such price then prevailing in the same field, the same or nearest preceding date as the date more wells on the leased premises or lands pocare waiting on hydraulic fracture stimulation, but be deemed to be producing in paying quantities there from is not being sold by Lessee, then Lessor's credit in the depository designated bel while the well or wells are shut-in or production is being sold by Lessee from another well or w following cessation of such operations or producterminate this lease.	nces covered hereby are productively shall be + 1,2,5,5,5,5,5. In the oil purchaser's transportation same field (or if there is not de and gravity; (b) for gas - %) of the proceeds rend the costs incurred by Lessa as such production at the pretent in the nearest field in whe on which Lessee commence oled therewith are capable of it such well or wells are either as for the purpose of maintainile. Essee shall pay shut-in royal allow, on or before the end of sithere from is not being sold by wells on the leased premises of ucction. Lessee's failure to production.	reunder shall be paid by Lessee to the paid by Lessee to on facilities, provided that Lessee to such price then prevailing in the (including casing head gas) and alized by Lessee from the sale ee in delivering, processing or othe evailing wellhead market price paid inchethere is such a prevailing price is its purchases hereunder; and (ceither producting oil or gas or other shut-in or production there from is not this lease. If for a period of 90 by of one dollar per acre then covaid 90-day period and thereafter of y Lessee; provided that if this leas or lands pooled therewith, no shut-perly pay shut-in royalty shall ren	eased premises or from lands pooled therewith or this lease is a Lessor as follows: (a) For oil and other liquid hydrocarbons _%) of such production, to be delivered at Lessee's option to shall have the continuing right to purchase such production at same field, then in the nearest field in which there is such a all other substances covered hereby, the royalty shall be thereof, less a proportionate part of ad valorem taxes and erwise marketing such gas or other substances, provided that for production of similar quality in the same field (or if there is e) pursuant to comparable purchase contracts entered into on if at the end of the primary term or any time thereafter one or substances covered hereby in paying quantities or such wells not being sold by Lessee, such well or wells shall nevertheless consecutive days such well or wells are shut-in or production ered by this lease, such payment to be made to Lessor or to nor before each anniversary of the end of said 90-day period e is otherwise being maintained by operations, or if production in royalty shall be due until the end of the 90-day period next der Lessee liable for the amount due, but shall not operate to	
be Lessor's depository agent for receiving paym draft and such payments or tenders to Lessor caddress known to Lessee shall constitute prope payment hereunder, Lessor shall, at Lessee's respayment hereunder, Lessor shall, at Lessee's respayment so representation of paragraph 3 premises or lands pooled therewith, or if all propursuant to the provisions of Paragraph 6 or nevertheless remain in force if Lessee commen on the leased premises or lands pooled therewithe end of the primary term, or at any time the operations reasonably calculated to obtain or reno cessation of more than 90 consecutive days there is production in paying quantities from the Lessee shall drill such additional wells on the leto (a) develop the leased premises as to forms	nents regardless of changes in or to the depository by deposite or payment. If the depository equest, deliver to Lessee a pro- ble above, if Lessee drills a well orduction (whether or not in part the action of any government ness operations for reworking with within 90 days after comple ereafter, this lease is not othe estore production therefrom, the respect of the productions e leased premises or lands pro- eased premises or lands poole ations then capable of product e by any well or wells located	a the ownership of said land. All pattin the US Mails in a stamped en- should liquidate or be succeeded oper recordable instrument naming which is incapable of producing it paying quantities) permanently ce ntal authority, then in the event an existing well or for drilling an a etion of operations on such dry hole orwise being maintained in force to its lease shall remain in force so lo result in the production of oil or g boled therewith. After completion of therewith as a reasonably prude ing in paying quantities on the les	n at lessor's address above or its successors, which shall yments or tenders may be made in currency, or by check or by velope addressed to the depository or to the Lessor at the last by another institution, or for any reason fail or refuse to accept another institution as depository agent to receive payments. In paying quantities (hereinafter called "dry hole") on the leased asses from any cause, including a revision of unit boundaries this lease is not otherwise being maintained in force it shall diditional well or for otherwise obtaining or restoring production eror within 90 days after such cessation of all production. If at bout Lessee is then engaged in drilling, reworking or any other ring as any one or more of such operations are prosecuted with also or other substances covered hereby, as long thereafter as of a well capable of producing in paying quantities hereunder, not operator would drill under the same or similar circumstances assed premises or lands pooled therewith, or (b) to protect the third. There shall be no covenant to drill exploratory wells or any	
6. Lessee shall have the right but not the depths or zones, and as to any or all substand proper to do so in order to prudently develop or unit formed by such pooling for an oil well whic horizontal completion shall not exceed 640 acre completion to conform to any well spacing or de-	e obligation to pool all or any ces covered by this lease, eit r operate the leased premises th is not a horizontal completion es plus a maximum acreage to ensity pattern that may be pre	her before or after the commence, whether or not similar pooling au- on shall not exceed 80 acres plus plerance of 10%; provided that a la scribed or permitted by any gover	erest therein with any other lands or interests, as to any or all ement of production, whenever Lessee deems it necessary or thority exists with respect to such other lands or interests. The a maximum acreage tolerance of 10%, and for a gas well or a rger unit may be formed for an oil well or gas well or horizontal nmental authority having jurisdiction to do so. For the purpose ne appropriate governmental authority, or, if no definition is so	

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed or permitted by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent tes

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the
- rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shuf-in royalties hereunder, Lessee may pay or tender such shuf-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shuf-in royalties hereunder, Lessee may pay or tender such shuf-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shuf-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

 9. Lessee may, at any time and from time to time, deliver to Lesseor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease property depths or zones there under and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released.
- the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures,
- equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof.

 Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon
- Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default assigns and assigns, a perpetual subsurface well here.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or
- other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations
- e executed in counterparts, each of which is deemed an original and all of which only constitute one original. DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

	te first written above, but upon execution shall be binding on the signatory and the sign r not this lease has been executed by all parties hereinabove named as Lessor.
LESSOR (WHETHER ONE OR MORE)	
By: Kwasi OpokuBoateng	By:
STATE OF COUNTY OF Torran This instrument was acknowledged before me on the 18th by: Lucis Opakur Boatena, a nercied JORGE VALENCIANO Notary Public, State of Texas My Commission Expires June 13, 2012	day of
STATE OF COUNTY OF This instrument was acknowledged before me on the by:	day of, 2008,



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

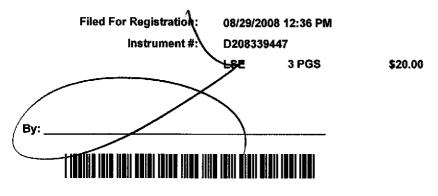
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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